



Alabama Department of Labor

News Release

For Immediate Release: April 4, 2013

Weekly Benefit Cuts for the Long Term Unemployed to Be Implemented Due to Federal Sequestration

MONTGOMERY – Alabama Department of Labor Commissioner Tom Surtees announced today that Alabamians receiving Emergency Unemployment Compensation (EUC) benefits can expect to see a 12.8% reduction in benefits for weeks beginning April 28 through September 30. The cuts are due to mandated federal budget cuts, known as sequestration.

In most cases, Alabamians receiving regular unemployment compensation benefits, or those who have been unemployed for 26 weeks or less, will not be impacted by the cuts. This is because the State of Alabama is responsible for paying claims for up to the first 26 weeks with unemployment insurance taxes collected from employers. The federal government pays claims for benefits in excess of 26 weeks.

The dollar amount of the reduction could vary for each claimant, as the reduction will be calculated based on the claimant's maximum benefit amount (MBA) and weekly benefit amount (WBA), both of which will have to be adjusted to reflect the cuts.

Taxes and other deductions will be applied to the new WBA. All EUC claimants will receive notification of their new monetary determinations by mail.

ADOL estimates that approximately 16,500 Alabamians are currently receiving federal EUC benefits.

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Members of the media seeking more information should contact Communications Director Tara Hutchison at (334) 242-8616.